

May 1, 1975

SENATOR MURPHY: I'd can't tell you that, Senator Chambers.

SENATOR CHAMBERS: The percentage?

SENATOR MURPHY: I'm saying that you ask me what it is now and to my best recollection right now it's 2 1/2 percent of their taxable income.

SENATOR CHAMBERS: Alright, thank you Senator Murphy. Senator Keyes, I was looking at Senator George, but Senator Keyes. What is the maximum percentage that the wealthiest corporation imaginable would pay under this bill? Senator Keyes, he's going to answer the question.

SENATOR SAVAGE: Senator Keyes.

SENATOR KEYES: Under the present he pays 2 1/2 percent. If the private income is 10 he pays 2 1/2 percent on all the income he makes whether he makes a million dollars or whether he makes \$100,000, or \$2,000. He pays 2 1/2 percent on that which is generated within the State of Nebraska.

SENATOR CHAMBERS: OK, now with the amendment percentage wise, what's the highest percent that a corporation would have to pay?

SENATOR KEYES: 4 1/2 percent on all that made over \$75,000.

SENATOR CHAMBERS: Thank you Senator Keyes. Members of the Legislature, I don't know if you read about . . . this was dealing with personal income tax returns at the state level. Due to federal loop holes in the taxing structure, there were a number of individuals in Nebraska making over \$100,000 who had to pay no state taxes whatsoever. I won't ask questions of people to elicit an answer on this because you all know that at the national level there are loop holes made for various corporations. I don't know how many there might be in Nebraska, but where they not only pay taxes even though they show profits, by that I meant they earn money, but they have credits coming to them next year against any income that they couldn't get un-loop holed. Next year if they should show any that's taxable they'll have credits coming from the year prior. I would never pretend to understand all of the tax loop holes in the federal taxing system. One of them which shows that tax laws are written for corporations, Senator Murphy and people who are opposed to this bill, is the fact that the very wealthy can hire attorneys to find these tax loop holes. Then they can deduct the attorney fees from their taxes. That is a valid and legal federal deduction. So the wealthy are subsidized by the federal government in finding methods built into the tax law not to pay taxes. They lose twice. They subsidize people in finding ways not to pay taxes. Senator Murphy, you know that the whole business and story of taxation throughout this country has been certain people trying not to pay taxes and make everybody else pay. Using your philosophy of not taxing the corporations in accord with their ability to pay because they might pass the increase in tax onto the consumer,